

**DEPARTMENT OF SOCIAL AND HEALTH SERVICES
MEDICAL ASSISTANCE ADMINISTRATION
Olympia, Washington**

To: Resource Based Relative Value
Scale (RBRVS) Users:
Anesthesiologists
Advanced Registered Nurse
Practitioners
Ophthalmologists
Psychiatrists
Emergency Physicians
Nurse Anesthetists
Physicians
Physician Clinics
Registered Nurse First Assistants
Family Planning Clinics
Federally Qualified Health Centers
Health Departments
Laboratories
Podiatrists
Radiologists
Kidney Centers
Blood Banks
Managed Care Plans

Memorandum No: 04-22 MAA
Issued: April 9, 2004

For Information Call:
1-800-562-6188

Supercedes: 03-59 MAA

From: Douglas Porter, Assistant Secretary
Medical Assistance Administration (MAA)

**Subject: Rescinding the NDC Requirement for Drugs Administered in the
Provider's Office**

| |
|---|
| <p>Retroactive to dates of service on and after October 16, 2003, the Medical Assistance Administration (MAA) rescinds the requirement to report the 11-digit National Drug Code (NDC) for drugs administered in the provider's office.</p> |
|---|

Why is MAA Rescinding this Requirement?

In an effort to encourage providers to work towards HIPAA-compliant electronic billing using the 837 Professional claim form, MAA is reducing providers' administrative burden by rescinding the requirement to report on the claim form the NDC for drugs administered in the provider's office. However, MAA will continue to collect this information retroactively from those providers currently working with MAA on the NDC project.

After MAA has fully adopted HIPAA-compliant electronic billing, this requirement may be re-examined for future implementation.

837P Electronic Claim Form Billing Requirements

Providers must continue to identify the office-administered drug by reporting the drug's CPT™ or HCPCS code in the PROFESSIONAL SERVICE Loop 2400, SV101-1. **DO NOT list the corresponding 11-digit NDC in DRUG IDENTIFICATION Loop 2410, LIN02 and LIN03.** If you continue to report the NDC on your claim form the system will automatically suspend the claim for examiner review and your payment will be delayed.

HCFA-1500 Claim Form Billing Requirements

If you are billing MAA using a paper HCFA-1500 claim form, **DO NOT list the 11-digit NDC in field 19.** If you continue to report the NDC on your claim form the system will automatically suspend the claim for examiner review and your payment will be delayed.

If you are billing using an electronic HCFA-1500 claim form, **DO NOT list the 11-digit NDC in the “Comments” section.** If you continue to report the NDC on your claim form the system will automatically suspend the claim for examiner review and your payment will be delayed.

UB-92 Claim Form Billing Requirements for Kidney Centers

If you are billing using a paper UB-92 claim form, **DO NOT list the 11-digit NDC in box 84 (Remarks).** If you continue to report the NDC on your claim form the system will automatically suspend the claim for examiner review and your payment will be delayed.

Denied Claims

If your previously billed claim has been denied for not reporting the NDC, you may rebill the original claim. If you have not yet billed some claims for dates of service on and after October 16, 2003, for drugs administered in the provider's office, **DO NOT list the 11-digit NDC on your claim form.** If you continue to report the NDC on your claim form the system will automatically suspend the claim for examiner review and your payment will be delayed.

* CPT stands for Current Procedural Terminology
HCPCS stands for Healthcare Common Procedure Coding System

Unlisted Drug Codes

If you are billing for a drug using either the unlisted drug code J3490 or J9999, you must continue to report the NDC. MAA uses the NDC when these codes are billed in order to appropriately price the claim.

Claims **must** include:

- The dosage of the office-administered drug to the client; and
- The 11-digit NDC of the office-administered drug.

For claims billed using a paper HCFA-1500 claim form, list the required information in field 19 of the claim form.

For claims billed using an electronic HCFA-1500 claim form, list the required information in the “*Comments*” section of the claim form.

For claims billed using an electronic 837P claim form, list the required NDC information in DRUG IDENTIFICATION Loop 2410, LIN02, and LIN03. List the dosage given to the client in the “*Comments*” section of the claim form.

For Kidney Center claims billed using a UB-92 claim form, list the required information in form locator 84 (Remarks).

Invoice Requirements

A copy of the manufacturer’s invoice showing the actual acquisition cost of the drug must be attached to the claim when billed charges exceed \$1,100.00 per line item. This requirement applies to all drugs administered in the provider’s office, including those drugs with an assigned CPT or HCPCS code, or those billed using either unlisted drug code J3490 or J9999.

You may view or download this memo and the revised fee schedule by going to MAA’s website at <http://maa.dshs.wa.gov> (click on the Provider Publications/Fee Schedules link).

